1929-30 File No. 79 : 29

C. B

CORRESPONDENCE BETWEEN SIR. M. VISVESVARAYA and the DEWAN on matters concerned with the BHADRAVATHI IRON WORKS.

)NFIDENTIAL.

Collection No. 79 28-4

Year 192 --192 .

eral and Revenue

Secretariat.

idential Branch.

B June 1924

SUBJECT. Correspondence between Sir M. Visvesvaraya and the Diwan on matters concerned with the Bhadravati Iron Works

PREVIOUS REFERENCES.	LATER REFERENCES.

CB 3942

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Encl

DEWAN'S MINUTE.

FILE No. 192 .

Secy Dev. Dept.

Please see attached letter from Sir Visvesvaraya in reply to mine of the 26th instant.

It may be circulated to the members for perusal.

As regards the various matters referred to in it:—

(1) I don't know (para 2 of his letter) what the "several questions pending with Govt." are. Has there been any avoidable delay in dealing with them in this Secty.?

I shall be glad if you will meet the Chairman sometime tomorrow (Saturday) & have a talk with him on these matters. You will be able to explain to him if there has been delay in disposing of papers from him. Please also arrange how you will reply to the letter he sent to me which he mentioned in his letter.

(2) We are quite prepared to consider any proposals for the appointment of a Whole-time director. (para 3) He may send them up.

Mr. N. N. Iyengar's appointment was not made because he himself said he would not press for it. (please refer to correspondence). Sir M.V. is not right in throwing the responsibility on us. This memorandum letter is unfortunate.

(3) "To go into details" (para 4) - Sir is just what we are trying to do. Officials have to have a conscience & do feel a sense of responsibility. We cannot for an hour sanction large grants without

DEWAN'S MINUTE.

FILE No. 192 .

going "into details".

(4) We are only prepared to do it. (para 5)

(5) - We are endeavouring to study the problem (para 6) but if in that process he feels irritated, it is not our fault. We are as prompt as we can possibly be in dealing with questions of such complexity & magnitude.

Sd

27-4-29

Sd

28 4 29

1st Member Sd 28-4-29

2nd Member Sd 30/4

3rd Member Sd 29.4.29

Copies of letters of
to Sir Wm. Vernon
Iron Works the end of
Sir Ch. York for
favor of return
to H.N

Subd for
approval.
9/5

D.O. 4249/2

"Clonview"

Fornhill, 9th May 1929.

My dear Sir Charles,

I enclose herewith, for favour of submission to His Highness, copies of recent correspondence between Sir M. Visvesvaraya and myself on certain matters connected with the Bhadravati Iron Works.

Yours sincerely,

CB 3942

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App. F. III—2]

General and Revenue Secretariat. | File No. of 192

Serial No.

The letter from Sir M Visvesvaraya has been circulated

A draft reply has been submitted for approval or other orders

12077/11/5

Dewan) 1 5 29

Letter received

9/5

Submitted for perusal

3d Member) 11 5 29

12-5-29

13 5 29

Sms.

B.

NOTE—Contn. Sheet.

WD 01714—GPB—30,000—18-4-28

Confidential

THE MYSORE IRON WORKS
BHADRAVATI

"Uplands", High Ground,
Bangalore, 27th April 1929.

My dear Sir,

I am much obliged to you for your D.O. letter No.4103 dated 26th instant marked "Confidential". The information you require will be furnished to you as early as possible and the Committee of Visitors will be also consulted.

(2) There are several other questions pending with Government some of which require prompt settlement. Delays on a commercial scheme will mean loss of credit and loss of money. I would suggest that, if not inconvenient to you, the Secretary to Government concerned may kindly be asked to meet me whenever required and get these promptly settled., I will not want to meet him except when absolutely necessary.

(3) The work requires a great deal of study of business and technical details. Including daily business routine, it takes away a large portion of my time. I suggested the appointment of a Director who should also be the Executive Member of the Board instead of the Chairman. This matter requires the serious consideration of Government. If my nominee is not approved, some other officer acceptable to Government may be appointed.

(4) The subject of steel manufacture and electric power development has been before Government for two years. I think

Government should now be pleased to go into the details and make up their mind whether the developments should be proceeded with or the work should be left as it is. The position of the work is not so simple as it seems on the surface. There are many under-currents and there is severe competition to meet which constant vigilance is necessary. As I wrote to you in my letter of 15th November last, "any laxity in this respect even for two or three months will mean loss of markets and permanent injury to the Works". Unless Government act promptly and help the management the future prospects of the work will be jeopardized.

(5) When I took some responsibility for this work at the beginning of 1923, experts thought that the scheme could not be made to pay. We have now shown that under the conditions which existed then it could have been made remunerative. Had the prices remained steady, the scheme would have been regarded as a success to-day and there would have been no unpleasantnesses to face.

(6) Government should not expect sound advice on this question from outside. If Government have no confidence in the present management, the Chairman may also be changed. But if they have, they should be pleased to study the problems with him and give him prompt help, in every endeavour of his and of the Board, to develop the work along right lines.

Yours sincerely,

M. Visvesvaraya

Mirza M. Ismail, Esq., C.I.E.,
Dewan of Mysore,
Bangalore.

D. O.

Soel

Glenview,

Fernhill, 3rd May 1929

Dear Sir,

I am directed to send you enclosed reply of the Dewan to Sir Visvesvaraya's letter and to request you to be so good as to return it to me after verification of para 1 of the draft reply regarding the number of subjects relating to the Iron Works pending in the Secretariat.

Yours sincerely,

Kingsanche

6/5/29

N. Rama Rao, Esq., B.A., B.L.,
Secretary to Government,
Development Department,
Bangalore

MR. N. RAMA RAO, B.A., B.L.,
Secretary to Government,
Development Departments.

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General and Revenue Secretariat,

D. O. No.

Bangalore, 6th June 1929.

Dear Mr Srinivasachar,

The questions referred to by Sir M. Visvesvaraya as pending in the Secretariat were:

(1) Writing down capital cost

(2) Write off of "Suspense account" relating to purchases made and transactions conducted during Construction period

(3) Advance of Rs 5 lakhs towards Working Capital

(4) Scheme for steel manufacture.

I explained the stage of pendency as best I could without reference at hand, but I am not sure he was attending to me

I have suggested a few modifications on a slip which I have pinned to

the margin of the draft

Yours sincerely

H Rennie Peg

P.S.

I have sent copies of the telegrams Hay V referred to in the 2d para of the draft

WP

D.O.No.4238/One.

"Glenview"

Fernhill, 8th May 1929.

My dear Sir,

In reply to your letter, marked confidential and dated the 27th instant, I write to say that I have instructed the Secretary to Government concerned with the Iron Works to keep in touch with you, and to meet you whenever required. I believe he saw you a few days ago, and obtained from you details of the several questions relating to the Works, which are pending with Government. They seem to be four, of which two which relate to the writing down of capital cost and the write off of the suspense account are not after all of immediate practical importance. They are receiving attention. The third is a request for an additional advance of Rs5 lakhs, which is under active consideration. The fourth relates to the manufacture of steel. I do not know if any delay can be said to have occurred in that matter, it having just now been taken up for serious consideration.

In regard to the appointment of a wholetime Director, I may say we are quite prepared to consider any suggestion which you may offer. You may remember that we had no objection to obtaining the loan of Mr. N. N. Iyengar's services solely for the Bhadravati Iron Works, but did not do so on getting a telegram from you that under the altered circumstances you would not press for his appointment. Copies of the two telegrams are enclosed.

The proposals received from you for the manufacture of steel with electric power are engaging the attention of Government. We are awaiting the additional information which you have promised to furnish. The problem is one which, as you say, require going into details; and while we are anxious to come to a decision as early as possible, it is natural that we should wish to satisfy ourselves that capital expenditure of this magnitude is fully justified.

I daresay that on a subject like this, it may be difficult to get sound advice from outside, but the responsibility to get the best advice we can is none the less great, and we can only hope that it may not be

so impossible to find competent and disinterested experts whose opinion would be useful in arriving at a decision.

Yours sincerely,

Sir M. Visvesvaraya, K.C.I.E., D.Sc.,
Bangalore.

My dear Sir,

In reply to your letter, marked confidential dated the 27th instant, I write to say that I have instructed the Secretary to Government concerned with the Iron Works to keep in ~~constant~~ touch with you, and to meet you whenever required. I believe he saw you on ~~Sunday last~~ a few days ago and obtained from you details of the several questions relating to the Works which are pending with Government. They seem to be four, of which two which relate to the writing down of capital cost and the write off of the suspense account are not after all of immediate practical importance. They are receiving attention. The third is a request for an additional advance of Rs.5 lakhs, which is under active consideration. The fourth relates to the manufacture of steel. I don't know if any delay has occurred in that matter, it having just now been taken up for serious consideration.

In regard to the appointment of a whole-time Director, I may say we are quite prepared to consider any suggestion which you may offer. You may remember that we had no objection to obtaining the loan of Mr. N.N. Ayyangar's services solely for the Bhadravati Iron Works but did not do so on getting a telegram from you that under the altered circumstances you would not press for his appointment. Copies of two telegrams are enclosed.

The proposals received from you for the manufacture of steel with electric power are ~~under~~ active consideration. We are awaiting the additional information which you have promised to

furnish. The problem is one which as you say, requires going into details; and while we are anxious to come to a decision as early as possible, we wish to satisfy ourselves that capital expenditure of this magnitude is fully justified.

I daresay that on a subject like this, it may be difficult to get sound advice from outside, but the responsibility on us to get the best advice we can is none the less great, and it may not be so impossible to find competent and disinterested experts whose opinion would be useful in arriving at a decision.

Yours sincerely,

Sir M. Visvesvaraya, K.C.I.E., D.Sc.,
Bangalore.